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17 December 1962

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CENTRAL

INTELLIGENCE

BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

Communist China - USSR: A scathing condemnation of Soviet foreign policy and a reaffirmation of Peiping's refusal to moderate its own views in the interests of bloc harmony is contained in a 6,500-word People's Daily editorial of 15 December.

The Chinese Communists serve notice in the editorial that they will continue opposing all Soviet initiatives to seek "sensible compromises" with the US, to promote rapprochement with "that renegade to Communism, Tito," and to subvert the position of the Albanian leaders.

The editorial cites the example of Lenin and his followers, who found themselves in a minority during the period of the Second International and formed another. The implication is that the Chinese, too, might be justified in organizing a new International if the deterioration of Sino-Soviet relations proceeds much further.

The article stops just short of an unprecedented denunciation of the Soviets by name. It notes explicitly, however, that the Communist Party of the Soviet Union provided the first open forum for attacks on Albania at its 22nd Congress last year.

The editorial insists on the validity of Peiping's "paper tiger" caricature of imperialism, which Khrushchev scornfully rejected at the Supreme Soviet

on 12 December. In a thinly veiled reference to Soviet actions in Cuba, the article ridicules the policy of "capitulationism," which includes the trait of being "scared out of one's wits by imperialist nuclear blackmail."

The Chinese also elaborate on their dissatisfaction with the Soviet attitude toward the Sino-Indian dispute. The editorial disparages the Marxism-Leninism of those who assume a neutral position in the dispute and who deplore the hostilities because they are pushing Nehru toward the West.

Moscow, for its part, in a <u>Pravda</u> editorial of 15 December again denounces the Albanian leaders "and those who are egging them on" for having lost their faith in the possibility of socialism's victory without war between states. Moscow, like Peiping, is still avoiding a direct attack on its adversary.

In a further reflection of the dispute, Radio Moscow has apparently stopped its relay of Peiping's half-hour program for Soviet listeners. The program, usually carried three times weekly, has not been heard since 3 December, according to the British Broadcasting Corporation (BBC).

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Soviet Bloc - Cuba: New Soviet bloc - Cuban shipping arrangements are being worked out in an effort to circumvent possible further US moves against the use of Western ships in Cuban trade.

Under the new plans, which are being formulated in connection with Soviet-Cuban trade talks now going on in Moscow, the USSR apparently envisages greater use of bloc ships in trade with Cuba. In the event of a total suspension of Western shipping to Cuba, the USSR probably would divert as much of its ocean-going merchant fleet to the Cuban trade as necessary, and compensate by chartering Western ships for trade in other areas. The Soviet news agency TASS says the USSR has expressed its readiness to "give the necessary aid" if Western shipowners refuse to provide enough tonnage for Cuba's sugar exports.

Well over three quarters of Cuba's sugar exports were carried in Western vessels this year, and more than half of Soviet petroleum exports to Cuba--currently running around 4,000,000 tons annually--were shipped in Western tankers.

East Germany, Poland, and Czechoslovakia-the three principal satellite maritime powers--recently agreed to form a joint shipping line to carry
cargoes to Cuba from West European and British
ports. Soviet ships are to handle cargoes from
Mediterranean ports. Cuba's dwindling trade with
Western Europe and the UK makes the provision of
shipping for such trade a comparatively simple task.

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<u>USSR--Disarmament</u>: <u>Moscow apparently intends to mark time at the Geneva disarmament conference for the next few months.</u>

This opinion was expressed by Rumanian delegate Macovescu on 14 December to Ambassador Dean, who believes that it was done at Tsarapkin's behest. Macovescu indicated that Moscow had "real problems to appraise" in the aftermath of Cuba and the Chinese attack on India, and that the US should not expect "too much movement" at the conference "at least until early March."

The Rumanian delegate noted, however, that there might be some progress meanwhile on the test-ban question. He said that "perhaps some obligatory on-site inspections could be made," if the US could exclude Soviet "security areas." This remark contrasts with Moscow's rigid rejection of such inspections of Soviet territory.

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Brazil: Hostility between the Goulart government and its internal opponents appears to be increasing.

Officers of the navy, the most conservative of Brazilian armed services, are incensed over the government's decision to award Navy Medals of Merit to a group of civilians including Raul Ryff, a Communist, who is Goulart's press secretary, and Governor Leonel Brizola, Goulart's anti-US brother-in-law. Some 50 naval officers have returned their Medals of Merit in protest. Pro-Goulart Navy Minister Suzano reportedly said on 12 December that he planned to arrest three admirals from this group and that he did not expect any reaction to this by the rest.

The Goulart government is evidently attempting to undermine anti-Communist Governor Lacerda in Guanabara State by allowing leftist General Alves' First Army--rather than the governor--to distribute emergency supplies in the face of a rice shortage. There are some indications that a government move may also be underway to prevent the inauguration in January of a recently elected anti-Communist governor in Goulart's home state of Rio Grande do Sull

Meanwhile, a small anti-Communist group in Rio Grande do Sul is said to be planning the early initiation of terrorist activities.

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25X Approved For Release 2003/05/16: CIA-RDP79T00975A0d6700410001-2 NOTES Malaya-Singapore: The Malayan Government began arresting leftist leaders of its major opposition party on 16 December. Malayan officials are 25X putting heavy pressure on the British in Singapore 25X1 to arrest pro-Communists there, but so far the British are refusing! 25X1 Southern Rhodesia: Voters in this white-ruled British colony repudiated Prime Minister Whitehead's policy of racial moderation by giving majority support to the opposition Rhodesian Front Party in the 14 December elections. This apparently signals a reversal in the liberal trend toward gradually lifting some racial barriers and the beginning of a period of further racial polarization. The African national ists, whose boycott of the elections caused threefourths of the eligible Africans to refrain from voting, can be expected to try to organize further resistance to the new government, which might lead to violence. 25X1 25X1 Belgium: The coalition government has been so weakened by domestic political difficulties that it might fall if the UN's Congo activities should lead to hostilities in Katanga. The position of Foreign Minister Spaak, who is largely responsible for holding the government together, has been seriously weakened by public displeasure with his efforts to find a solution to the Katanga problem. Belgian feeling 25X1 over the issue has reached the point where the US ambassador in Brussels has again received threats of assassination if a conflict in Katanga breaks out. 25X 7 17 Dec 62

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